2014

ECON 600-04 Managerial Economics

Amit Sen
sen@xavier.edu

Follow this and additional works at: http://www.exhibit.xavier.edu/economics_syllabi_spring_2014

Recommended Citation
http://www.exhibit.xavier.edu/economics_syllabi_spring_2014/21

This Restricted-Access Syllabus is brought to you for free and open access by the Economics Syllabi 2014 at Exhibit. It has been accepted for inclusion in Economics Syllabi Spring 2014 by an authorized administrator of Exhibit. For more information, please contact exhibit@xavier.edu.
Xavier University
Williams College of Business
Department of Economics
Managerial Economics, Econ 600-04
Lectures: Sa 9:00am-11:30am, 249 Smith Hall

Instructor: Amit Sen
Email: sen@xavier.edu
Office: 328 Smith Hall
Office Phone: 513-745-2931
Webpage: [http://site.xavier.edu/sen](http://site.xavier.edu/sen)
Office Hours: R 4:30pm - 6:00pm
Sa 11:30am - 12:30pm
(Subject to Change)

Course Description
This course provides an overview of basic economic theory applied to the firm. The core material of this course is motivated through two basic tasks facing a firm: creating value and capturing value. In the first part of the course, we will discuss the issues related to creating and capturing value: demand, production, costs, market structures, economics of strategy, and pricing strategies. In the second part of the course, we focus on issues related to the organizational architecture of a firm: identifying and resolving incentive conflicts, hiring and retaining workers, and devising appropriate incentives through compensation.

Required Text

WCB Mission Statement
“We educate students of business, enabling them to improve organizations and society, consistent with the Jesuit tradition.”
Grading Policy

The final grade will be determined on the basis of several assignments (in-class or homework), a mid-term exam, and a final exam. The dates for the mid-term exam and the final exam as well as a list of the reading assignments appears in the ‘Reading Schedule’ section below. The following weights will be applied to each category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Problem Sets</td>
<td>25%</td>
</tr>
<tr>
<td>Mid-Term Exam</td>
<td>35%</td>
</tr>
<tr>
<td>Final Exam</td>
<td>40%</td>
</tr>
</tbody>
</table>

The cumulative final letter grade will be based on the following scale:

\[
\begin{align*}
A & \geq 93% \\
93% & > A- \geq 90% \\
90% & > B+ \geq 87% \\
87% & > B \geq 83% \\
83% & > B- \geq 80% \\
80% & > C+ \geq 77% \\
77% & > C \geq 73% \\
73% & > C- \geq 70% \\
70% & > F
\end{align*}
\]

We will follow the assigned text closely, though not necessarily in the order presented in the text. I have included a guide I will supplement some topics will additional material. I have included a guide of the course readings in the ‘Reading Schedule’ section below. I will also assign weekly assignments that will aid your understanding of the concepts discussed in class.

You are welcome to send me emails, my email address is sen@xavier.edu. Kindly include your full name and course number in all correspondence. I would be happy to see you in person during the assigned office hours or by appointment. If you have difficulty or concerns with this course, you may contact Professor Hema Krishnan (Phone: 745-3420, Email: krishnan@xavier.edu, Office: 117 Smith Hall), Associate Dean, Williams College of Business.
WCB Learning Goals

The course contributes to the following learning goals in the MBA curriculum:

1. **Strategic Thinking and Leadership**: WCB MBAs will be able to position organizations in chosen market areas, compete successfully, and satisfy stakeholders with the objective of achieving superior organizational performance.
   
   (a) MBA students will demonstrate the ability to articulate a vision and set and prioritize strategic objectives.
   
   (b) MBA students will formulate business strategies utilizing their understanding of the key functional areas of business.

2. **Critical Thinking**: WCB MBAs are able to clarify problems, generate and evaluate alternatives using appropriate analytical and quantitative techniques, and draw conclusions.
   
   (a) MBA students will evaluate organizations and recommend optimal strategies and actions demonstrating their ability to understand context, frame problems and use appropriate analytical and quantitative techniques.

3. **Effective Written and Oral Communication**: WCB MBAs are proficient in written and oral communication.
   
   (a) MBA students will demonstrate their ability to clearly summarize issues and support decisions in writing.
Reading Schedule

**Week 1: January 18**
- Discuss Syllabus
- Chapter 1: Introduction
- Chapter 2: Economists’ View of Behaviour

**Week 2: January 25**
- Chapter 2: Economists’ View of Behaviour (continued)
- Review of Chapter 3: Markets, Organizations, and the Role of Knowledge

**Week 3: February 1**
- Chapter 4: Demand
- Chapter 5: Production and Cost

**Week 4: February 8**
- Chapter 8: Economics of Strategy: Creating and Capturing Value

**Week 5: February 15**
- Chapter 6: Market Structures [Monopoly and Monopolistic Competition]

**Week 6: February 22**
- Chapter 6: Market Structures [Monopoly and Monopolistic Competition] (continued)
- Chapter 9: Economics of Strategy: Game Theory

**Week 7: March 1**
- Chapter 9: Economics of Strategy: Game Theory (continued)
- Review for the Mid-Term Exam

**Week 8: March 8**
- March 8, 2014 - **Mid-Term Exam**
Week 9: March 15
   Chapter 6: Market Structures [Oligopoly]

Week 10: March 22
   Chapter 6: Market Structures (continued) [Oligopoly]

Week 11: March 29
   Chapter 7: Pricing With Market Power

Week 12: April 5
   Chapter 7: Pricing With Market Power (continued)

Week 13: April 12
   Chapter 11: Organizational Architecture
   Chapter 10: Incentive Conflicts and Contracts

Week 14: April 19
   No Class - Easter Break

Week 16: April 26
   Chapter 14: Attracting and Retaining Qualified Employees
   Chapter 15: Incentive Compensation
   Review of the Course with Concluding Comments
   Final Exam Review, and Course Evaluations

Week 17: May 3
   May 3, 2014: Final Exam (9:00am - 11:30am)